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15 Oct 1948

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THE BERLIN DISPUTE

✓ The Berlin question continued to plague the Security Council during the past week, with the so-called neutral members (Argentina, Belgium, Canada, China, Colombia, and Syria) attempting to devise a compromise formula which would provide for a simultaneous lifting of the blockade and reference of the entire German problem to the Council of Foreign Ministers. This attempt by the SC "neutrals" has thus far had little success. The Soviet proposal for resumption of direct negotiations on the basis of the 30 August agreement would merely return the discussions to their status prior to UN consideration of the matter. This Soviet proposal also emphasizes the likelihood that the USSR, in return for lifting the blockade, will continue to demand a more substantial concession than western agreement to "re-open" the German problem. The minimum Soviet demands will probably be either temporary suspension of plans for a western German government or western agreement to the Kremlin terms for the use of Soviet currency in all sectors of Berlin. Meanwhile, the USSR may reason that, following SC action on the Berlin question, discussion in the Assembly will be prolonged. Such a delay would enable the USSR to: (1) observe the effect of winter upon the western airlift and upon the resistance of the Berlin people to Communism; (2) weigh the effects of its attacks on the European recovery program; and (3) confuse further the Berlin issue by additional "conciliatory" proposals designed primarily for tactical or propaganda value.

Soviet delaying tactics on the Berlin question may also be prompted by the bleak industrial outlook for western Berlin, which is not likely to improve until the blockade is lifted and normal transportation restored. The food processing industry has been closed by military government order to conserve coal and power, and the major industries (chemicals, textiles, machines and machine tools) continue to operate at about 50% of the pre-blockade level. The continued depletion of fuel and raw material

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FRANCE

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The Communist-inspired strikes in France are designed primarily as an additional and timely weapon with which to further the Kremlin's primary goal of defeating the European recovery program. Consequently, the fate which befalls the French Communist Party as a result of the strikes is a secondary consideration to the USSR. The current Communist attack in France reflects the Soviet belief that such action, if taken before western aid restores French political and economic stability, would seriously dislocate the French economy and dissipate the beneficial effects of the European recovery program throughout western Europe. However, in choosing France as the first major battleground in its fight against European rehabilitation, the Kremlin has run the risk of precipitating De Gaulle's return to power and of possible outlawing of the Communist Party. Regardless of the outcome of the strike offensive in France, the Communists can be expected to resort to similar direct tactics in other ECA countries.

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